

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 OMB-01 /061 W

-----052117Z 083395 /63

P 052021Z JAN 77

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 6087

AMEMBASSY QUITO

UNCLAS SAN JOSE 0060

E.O. 11652: N/A

TAGS: BPRO, CS, EC

SUBJECT: EXIMBANK GUARANTEE FOR SALE OF CONSTRUCTION MACHINERY
TO BANCO NACIONAL DE COSTA RICA OR BANCO CENTRAL, SAN JOSE,

REF: STATE 313660 (NOTAL)

1. LOCAL REP FOR FIAT ALLIS INDICATED THAT CONSTRUCTION MACHINERY IS FOR MONOLITICA, S.A. AN ECUADORIAN CONSTRUCTION FIRM WHICH WAS AWARDED A PUBLIC BID NOVEMBER 24, 1976 BY GOCR MINISTRY OF PUZVIC WORKS AND TRANSPORT FOR CONSTRUCTION OF PUERTO VIEJO-SAN JOSE HIGHWAY. MONOLITICA BID WAS 424 MILLION COLONES (APPROXIMATELY \$50 MILLION) AND CONSIDERABLY LOWER THAN THOSE SUBMITTED BY OTHER BIDDERS.

2. FIAT ALLIS REP STATED THAT LOAN COULD BE MADE THROUGH BANCO NACIONAL WHICH WOULD HOLD MORTGAGE ON EQUIPMENT AND THAT A PORTION OF THE PROGRESS PAYMENTS FROM GOCR FOR HIGHWAY WORK DONE WOULD BE EARMARKED FOR REPAYMENT OF LOAN. HOWEVER, BANCO NACIONAL REPRESENTATIVE CLAIMS PROJECT HAS JUST BEEN RECEIVED FOR STUDY AND HE COULD NOT PREDICT WHAT FORM BANCO NACIONAL PARTICIPATION WOULD TAKE IN THIS PROJECT.

3. LOCAL REPRESENTATIVE FOR MONOLITICA IS NOT AVAILABLE FOR
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COMMENT AS HE IS IN LOCAL HOSPITAL RECOVERING FROM AN OPERATION. THE CHIEF OF THE FINANCIAL DEPT. OF THE SISTEMA NACIONAL DE ACUEDUCTOS AND ALCANTARILLADOS (SNAA) AN AUTONOMOUS GOCR AGENCY RESPONSIBLE FOR WATER AND SEWERAGE SERVICES, REPORTED THAT MONOLITICA WAS AWARDED TWO CONTRACTS BY THAT AGENCY FOR APPROXIMATELY \$4.5 AND \$6 MILLION, RESPECTIVELY, AND THEIR WORK TO DATE HAS BEEN SATISFACTORY.

4. REFTEL BEING REPEATED TO AMEMBASSY QUITO FOR ANY INFORMATION THEY MAY BE ABLE TO PROVIDE ON MONOLITICA. WE UNDERSTAND PRESIDENT OF COMPANY IS QUETANO BARRELLA, OF QUITO.

5. EMBASSY PERCEIVES NO POLITICAL OR ECONOMIC REASON WHY EXIM SHOULD NOT EXTEND GUARANTEE ON A LOAN MADE TO, OR GUARANTEED BY, BANCO NACIONAL OR BANCO CENTRAL. IN THE ABSENCE OF INFORMATION ON THE END-USER, WE CANNOT OFFER AN OPINION ON THE ADVISIBILITY OF A TRANSACTION INVOLVING MONOLITICA. TODMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
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Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 313660
Retention: 0
Review Action: RELEASED, APPROVED
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3658067
Secure: OPEN
Status: NATIVE
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